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NEW YORK TIMES  
26 AUGUST 1981

## Team of Ex-Green Berets Trained Terrorists for Libyan Government

The following article is based on reporting by Phillip Taubman and Jeff Gerth and was written by Mr. Taubman.

Special to The New York Times

HONOLULU, Aug. 24 — Four years ago, 10 men trained by the Army Special Forces to be America's elite commando troops went to work for the Government of Libya, training terrorists.

According to participants in the operation, and Federal investigators who have since tried to reconstruct the events, the men went to Libya with the knowledge and endorsement of the United States Army. They apparently believed that they were infiltrating the Libyan Government on behalf of the Central Intelligence Agency.

Nine were retired members of the Special Forces, better known as Green Berets. The 10th, who recruited the others for the mission, was a master sergeant in the Green Berets and was on active duty. He had been recruited by a former agent for the Central Intelligence Agency.

### Its Organizer Is a Fugitive

The belief of the 10 men that the mission was intended by the C.I.A. as an infiltration of the Government of Col. Muammar el-Qaddafi was apparently shared by ranking Green Beret officers.

Whether it was remains uncertain. The C.I.A. denies any involvement; many participants, and some Federal investigators, believe the mission had at least the tacit approval of the agency.

What is certain, say the Federal investigators and the participants, is that the operation was organized, financed and directed by Edwin P. Wilson, a former Central Intelligence agent. In 1976, according to the investigators, Mr. Wilson closed a business deal with Colonel Qaddafi to sell his expertise in intelligence, arms and explosives to Libya for the training of terrorists.

Mr. Wilson was indicted in 1980 by a Federal grand jury on charges of illegally exporting explosives to Libya. He is now a fugitive, believed to be living in the Libyan city of Tripoli.

Mr. Wilson's use of Green Berets, like other aspects of his relationship with Libya, has generated problems for the United States Government and raised questions about the way Federal authorities handled the matter.

The Justice Department, after investigating the case and calling many of the Green Berets before a grand jury for questioning in July 1979, produced no indictments. One reason, investigators

said, was the lack of any Federal law prohibiting the training of terrorists outside the United States by American citizens.

### Slow to Accept Responsibility

The Army and the intelligence agency, investigators said, have been slow to accept responsibility for the activity of those who were employees or former employees when the operation began in 1977.

An informal Army review of the case, begun after the Justice Department started its investigation, ended inconclusively, according to Defense Department officials.

Lieut. Col. Harold Isaacson, a spokesman for the Special Forces, with headquarters at Fort Bragg, N.C., said that the involvement of former Green Berets in the Libyan operation, like the activities of former Green Berets in general, was not the responsibility of the Special Forces. Army officials said that inquiries had determined that the one active-duty officer involved, and the superiors who endorsed his role, had apparently acted in good faith, believing the mission was sanctioned by Central Intelligence.

William J. Casey, the Director of Central Intelligence, recently ordered a review of agency policies to guard against the transfer of information and technology by former agents to such countries as the Soviet Union and Libya. The review was prompted by the case of Mr. Wilson and Frank Terpil, another former agent, in which agency connections were used in getting the explosives to Libya illegally and in the training of terrorists there. Mr. Casey said the agency's general counsel was "reviewing our contracts to develop additional protections against the kind of moonlighting and use of our contractors and technology which occurred in the Wilson-Terpil situation."

### Call to Fayetteville

The involvement of the Green Berets in the Libyan training operation began on July 21, 1977, when Luke F. Thompson, then a Special Forces master sergeant, received a phone call at his home in Fayetteville, N.C., from a man who identified himself as Patry Loomis. Mr. Thompson played a key role in numerous covert operations in Vietnam and Latin America in the 1960's and 1970's, according to intelligence officials.

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Mr. Loomis called military counterintelligence officials at Fort Bragg to report on the conversation. "I thought it might be something subversive, you know, maybe a foreign power trying to lure us into something," he said.

### Talked All Night, He Says

That evening two counterintelligence officials from Fort Bragg drove to Mr. Thompson's house and the three talked over the conversation that Mr. Thompson had had until early the following morning, Mr. Thompson said.

The next day, Mr. Loomis called again, this time to arrange a meeting with Mr. Thompson and the men he was recruiting. They picked the Sheraton Motor Inn in Fayetteville. The time was to be the following day, July 23.

Mr. Thompson notified the counterintelligence officers. "They told me to keep cooperating," he said.

On the day of the meeting, the counterintelligence officers called Mr. Thompson. He recalled: "They said: 'We've checked this to the top and it's legal and aboveboard. You can pursue it as you desire.'" Satisfied that he was dealing with a Government operation, he said, he went to the meeting.

### Says He Was in Deep Cover

Mr. Loomis and a Washington lawyer, the account by Mr. Thompson continued, escorted Mr. Thompson and three recently retired Green Berets to his room. After turning up the volume on the television, according to Mr. Thompson, Mr. Loomis identified himself as a Central Intelligence agent. "He said he was with the agency and had just recently come out of deep cover in Indonesia in the aircraft industry," Mr. Thompson said.

Mr. Loomis offered no details about the operation, saying that information would be provided outside the United States, but he did explain that the men would receive \$4,500 a month, plus bonuses. He told them to fly to Washington several days later and he gave each man several \$100 bills.

Investigators later determined that Mr. Loomis had approached Mr. Thompson shortly after being dismissed from the C.I.A. for helping Mr. Wilson obtain explosive timers for Libya.

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